

FISCAL NOTE

HB 9 – SB 277

April 2, 2007

SUMMARY OF BILL: Creates the “K-12 Lottery Capital Outlay Special Account” whereby any funds remaining in the lottery for education account (including balances of the general shortfall reserve sub-account and the special reserve sub-account) in excess of \$250,000,000 at the end of each fiscal year shall be deemed excess lottery funds and shall be transferred to the special account. Moneys deposited in the special account are to be used as matching funds exclusively for capital outlay projects for K-12 educational facilities and in addition to those provided from other sources. The Comptroller shall develop and administer a non-repayable grant program for K-12 capital outlay projects using funds available in the special account and requiring a local match for grants awarded. Any administration costs incurred by the Comptroller shall be funded by the special account as a part of the program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The fiscal impact of this bill is dependent upon several unknown factors such as (1) the extent of net lottery proceeds in excess of \$250,000,000 in any given year and (2) the ability of local governments to match grant funding. As a result, determining a precise fiscal impact for this bill is difficult. However, such local government grants (funds earmarked for lottery scholarships and grants under current law) are reasonably estimated to exceed \$100,000 per year. In addition to any local government grants, there will be an increase to one-time and recurring state expenditures, for incremental administrative costs, estimated to be \$100,000 and \$50,000 respectively for FY07-08. Such recurring administrative costs are estimated to be \$70,000 in FY08-09. Any increase of administrative costs will be paid for with funds deposited/transferred to the K-12 Lottery Capital Outlay Special Account from excess net lottery proceeds.

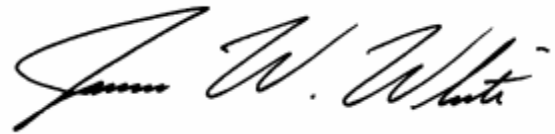
Assumptions:

- According to the Office of the Comptroller, the increase of one-time and recurring costs to administer the grant program is estimated to be \$100,000 and \$50,000 respectively. Such increased administrative costs are to be paid from funds deposited/transferred to the K-12 lottery capital outlay special account.

- Costs to local governments to meet the local matching requirement cannot be determined since it is unknown what match requirement will be established. In addition, the increase in local government revenues is unknown since the amount of grants awarded to LEAs cannot be quantified at this time. However, such increase in local government expenditures and revenues could be expected to exceed \$100,000 respectively.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director